

March 4, 1992

LB 950, 971, 984, 985, 999, 1004, 1063

additional taxable property by county, because of the addition of the agricultural depreciable...

SPEAKER BAACK: One minute.

SENATOR WARNER: ...property would be reduced from their state aid in a total amount of \$3.5 million. And then finally is sales tax on energy which would cover all energy, including fuel such as diesel and gas and propane, electricity, that is used in agricultural production and is not subject to the excise tax of motor fuel tax that, of course, is the tax that goes for roads. But it would tax that energy which is not otherwise taxed at a rate of 1.25 percent which would be one-fourth of what the general sales tax rate is. That's what the amendment does. The important thing is to me, it holds the General Fund harmless, doesn't create a budget problem.

SPEAKER BAACK: Time.

SENATOR WARNER: It would be simpler to, from an administrative standpoint, using the refund rather than the outright exemption.

SPEAKER BAACK: Thank you, Senator Warner. While the Legislature is in session and capable of transacting business, I propose to sign and do sign LB 950, LB 971, LB 984, LB 985, LB 999 and LB 1004. The next speaker is Senator Coordsen.

SENATOR COORDSEN: Thank you, Mr. Speaker. Members of the body, Senator Lamb and Senator Schmit have already covered several of the topics that I would have covered this morning. LB 1063, as it's written, without the adoption of whatever amendments or the adoption of the Warner amendment, is simply one thing and that is a tax increase for one segment of our economy, the segment of our economy that in most of the area of Nebraska, outside of the metropolitan areas, is already carrying, is already carrying the majority of the property tax support of local government services. The body of the Legislature, several years ago, enacted a series of bills, the 775 package, that was designed to encourage investment in Nebraska, that was designed to encourage the enhancement of our economy. Ladies and gentlemen, 75 percent of our trade balance, according to some calculation from DED several years ago, come from the export of raw and processed agricultural products. It's our largest industry. It's our major mechanism of getting a flow of dollars into the state to form the foundation of all other trades, businesses and